

BOB GOODLATTE  
6TH DISTRICT, VIRGINIA

214 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-5431



COMMITTEES:  
JUDICIARY COMMITTEE  
AGRICULTURE COMMITTEE

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CATV-92*

# Congress of the United States

## House of Representatives

July 27, 1993

*3114*

Lauren J. Belzin, Acting Director  
Office of Legislative Affairs  
Federal Communications Commission  
Room 808  
1919 M Street, N.W.  
Washington, D.C. 20554

RECEIVED

AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

*92-266*

Dear Ms. Belzin:

Enclosed herewith, please find a memorandum prepared by my staff on behalf of my constituent, Mr. Hite Hartless, who has expressed concerns regarding the Cable Television Consumer Protection and Competition Act of 1992.

I would appreciate your looking into this matter and providing me with a response for my constituent. Please mail your response to my Staunton office at the address listed below.

Thank you for your assistance.

Very truly yours,

*Bob*  
Bob Goodlatte  
Member of Congress

BG:psl  
Enclosures (2)

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AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

M E M O R A N D U M

TO: The Hon. Bob Goodlatte

FROM: Pete Larkin, District Representative 

DATE: July 27, 1993

RE: Hite Hartless case

Mr. Hite Hartless called the Staunton office on July 23 regarding concerns about the Cable Television Consumer Protection and Competition Act of 1992.

Mr. Hartless says he recently received a notice from the lone local cable provider, Adelphia Cable Communications. Mr. Hartless feels as though Adelphia is circumventing the legislation. Mr. Hartless says he thought the legislation was meant to help consumers save money and encourage competition. Mr. Hartless says he does not understand why Adelphia can increase rates for certain services. He feels the company is trying to confuse the consumer.



July 1993

Dear Adelphia Customer:

In order to comply with new and complex Federal law (The Cable Television Consumer Protection and Competition Act of 1992 -- "the Cable Act"), cable companies must make certain changes in their business practices. Thus, Adelphia will change certain cable terminology, the price of some services, and charges for cable equipment. These changes will be reflected in your next bill.

### **"Broadcast Service" changes to "Basic Service"**

The level of service formerly referred to as Broadcast Service (consisting of broadcast channels and Public/Educational/Government Access channels) will now be referred to as Basic Service. Please note that you are required by the Cable Act to subscribe to Basic Service before you can subscribe to any other services.

### **Separation of Equipment Fees from Service Fees**

Certain provisions of the Cable Act require cable operators to completely separate (or, in FCC terminology, "unbundle") charges for equipment from those for service. Cable companies must then restructure their charges for cable equipment, based on actual costs. In most cases, this will mean a decrease in rates for additional outlets and remote control devices. Adelphia will also introduce a monthly charge, again based on actual costs, for the use of each addressable converter. The new equipment rates will be:

additional outlets.....	95¢/outlet/month
remote control devices.....	20¢/remote/month
addressable converters.....	\$2.50/converter/month

Thus, depending on which cable equipment you have in your home, and on how the unbundling requirement affects overall revenues in your cable system, you may see a slight adjustment in your monthly cable bill\*.

### **Reallocation of Service Fees**

In addition to requiring cable operators to unbundle equipment charges, the Cable Act allows cable systems to reallocate charges between different levels of service. Thus, effective with your next bill, Basic Service may change in price in your area, with a comparable change in the price of Satellite Service.

### **Price of First Premium Service to Change**

The first Premium Service (HBO, Cinemax, Showtime, The Movie Channel, The Disney Channel, or others) to which you subscribe will increase in price by 50¢/month, effective with your next bill. Prices for additional Premiums will remain unchanged. In most Adelphia systems, this is the first increase in the price of Premium programming in many years.

(\* The "Rate Freeze" provision of the Cable Act prevents a cable system from increasing its total revenues from sources which are subject to rate regulation until after November 15, 1993. However, it does allow re-allocation of service and equipment charges within a cable system as long as the average customer bill for services subject to rate regulation does not increase.)

## **Possible Changes in Channel Lineup**

In order to comply with certain provisions of the Cable Act, Adelphia may have to make certain other changes over the next several months. The "Must Carry" provision of the Cable Act requires cable companies to carry qualified commercial and non-commercial local broadcast channels on their preferred channel position. In compliance with this provision, Adelphia may be required to add certain broadcast channels and to reposition others.

The "Retransmission Consent" provision of the Cable Act may also cause your channel lineup to be changed. This provision gives broadcast stations the right to request payment if carried on the cable system. Over the next few months, Adelphia will negotiate with those broadcast stations which are requesting this option. In doing so, we will be making an effort to keep our costs (and your rates) as low as possible, while attempting to minimize disruption to you. Please be aware that beginning October 1994, any Retransmission Consent payments may be passed on to customers.

If it is necessary for us to add, delete, or change the positions of channels, you will receive a new channel card. Please be assured that we will keep you informed of any further details in this area.

### **In Conclusion...**

We realize that we have given you much new information in this letter -- we have made changes in the cost of programming, in certain terminology, and in charges for cable equipment. Because of the new and unprecedented level of regulation under which we must now operate, this is a complicated and confusing time for both cable operators and cable subscribers. However, Adelphia will inform you of any further effects the Cable Act may have on your cable services, and we will strive to work within its boundaries to continue to provide you with the best possible service at reasonable rates. Please feel free to contact our office with any questions or comments.

Sincerely,

Adelphia Cable Communications